

Contract Improvement Process – Check In Meeting held Wednesday, September 25, 2002

Attendees:

WSA

L. Carchman
V. King
R. Phillips
B. Venable-Waple

Finance

E. Johnson
C. Tarzia

Purchasing

D. Donahue

Law

A. Arnold

TAKE AWAYS

- Defined roles: Finance vs. Purchasing

Finance (taken from *Contract Process Manual*, August 2002)

- ♦ Reviews draft/final contracts
 - ♦ Ensures adherence to financial policies
 - ♦ Provides analytical/decision support
 - ♦ Ensures financial terms are appropriate and reasonable
 - ♦ Provides advisory role in identifying and resolving business issues
 - ♦ Provides guidance on the "Contract Process"
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Purchasing (taken from *Contract Process Manual*, August 2002)

- ♦ Administers overall procurement process
 - Assists in identifying strategies and sources of vendors
 - Manages Request for Proposal (RFP), bid waiver or 04-200 processes
 - Negotiates compensation, terms and conditions
 - Liaison to Risk Management regarding insurance clauses
 - ♦ Reviews draft/final contracts (*may prepare Draft Contract*)
 - ♦ Provides advisory role in identifying and resolving business issues
 - ♦ Provides guidance on the "Contract Process"
 - ♦ Establishes purchase order
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- Agreed to **January 1, 2003** deadline for negotiated rates to be included in master Agreements (Covance, MDS, Parexel)

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TAKE AWAYS (cont.)

- When do Project Agreements need not be reviewed?
 - ♦ **Project Agreements do not need to be reviewed by Purchasing/Finance if there are no new rates for any services previously negotiated with 30 day payment terms.**
- Improve process:
 - ♦ **PM generate Project Agreements based on templates defined below**
 - ♦ **Negotiated rates/rebates based on strategy defined below**
- Purchasing/Finance to put together Financial Analysis tools and provide to WSA
 - ♦ **Finance to provide Finance 101 for WSA**
 - ♦ **Finance to provide Analytical Tools for negotiation**
- What information is needed for back up pricing documentation?
 - ♦ **CE/P&P to provide Finance/Purchasing documentation of requested clarifications on proposed rates/services from vendor and black-line of rates/fees already reviewed/negotiated by CE.**
- Define purpose of blanket 04-200
 - ♦ **CE to provide 1-2 line explanation of services and vendor selection to supplement signed 04-200s for Covance, MDS and Parexel on future Project Agreements.**
- Advance payment
 - ♦ **To be negotiated by (with?) Finance/Purchasing**
 - ♦ **Where feasible tie first invoice/payment to initial milestone, i.e., first advertisement**
- Rebates
 - ♦ **To be linked with rate negotiations where possible**

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TO DOs:

- **Project Agreement Templates:**
 - ◆ Sample Analysis (Law Dept.)
 - ◆ Clinical Study (Law Dept.)
 - ◆ Method Development/Validation (Law Dept.)
 - ◆ Others as needed (possibly Protocol Development?)
- **Sample Analysis Capability Matrix (CE)**
- **Negotiated Rates by January 1, 2003 (Finance/Purchasing/CE)**
 - ◆ Sample Analysis (Finance/Purchasing to put together schedule reflecting rates and ranges)
 - ◇ Bioanalytical Assay Fees (e.g., total antioxidant capacity, serum cotinine), (Finance/Purchasing to document what has already been negotiated)
 - ◇ Clinical Laboratory Fees (e.g., serum pregnancy, blood chemistry) (Finance/Purchasing to research basic rates for price comparisons)
 - ◆ Hourly rates for personnel charges as applicable (Finance/Purchasing to put together schedule reflecting rates and ranges)
 - ◆ Protocol Development
 - ◆ Method Development
 - ◇ Feasibility
 - ◇ Development
 - ◇ Validation
- **Milestones defined for Project Agreement needs related to SCoR 11 mg studies (short and long term) (CE)**